NSWC
Dahlgren
Division

# *Commercial Activities (A-76) Public Works Strategy/ Lessons Learned*

# 2/26/03: Life in the Federal Out House

by Mike Causey

How would you feel if your doctor or your tax accountant said you had a 50 percent chance? Obviously it would depend on whether they were talking about living or dying, or getting a refund or time to catch up on your reading in jail.

Closer to home, suppose the big boss said that 50 percent of the jobs in your agency, division, section or team really weren't necessary. Or that your job should be done by somebody other than you?

Why such a grim thought?

Because in the third round of the government's privatization study, call it: **So You Wanna Keep Your Job?** -- it turns out that more than half of you are doing jobs that aren't "inherently governmental." If you are a government worker, being told you are NOT "inherently governmental" is not good. On a scale of 1 to 10 (with 1 being bad breath and 10 being death) not being inherently governmental rates an 8.

Several years ago Congress required federal agencies to make annual surveys of what their employees were doing and to identify those jobs that are "inherently governmental" and those that aren't. The law is called the FAIR Act.

Results of the third-year survey were announced last week and they indicated that more than half of the one million jobs studied by agencies could and by inference should be done by private contractors. The survey said nearly 540,000 of the positions (filled by living, breathing feds) are NOT "inherently governmental" while another 522,000 were. So there!

Nobody is quite sure what that means, except that if you like the security of government, your current paycheck and your current benefits (like lifetime health insurance and a guaranteed, inflation-indexed retirement benefit) being in the "not inherently governmental" category is not good.

# Public Works Study

- Studied Maintenance of Buildings and Structures including Family Housing
- Total of 56 Positions studied
- Study announced May 1999
- MEO of 45 Positions implemented October 2001
- Ensured the Best Value for the Govt. regardless of outcome
- Fairly represented our existing workforce

# Teams

- Determined Team Membership Early:
- PWS Team
- Management Teams (MEO/Cost)
- Source Selection Team
- Keep Union/ Employees Involved throughout
- Be aware of new firewall issues and changes to the A-76 Process

# Strategy

- Ensure team members are trained on CA/FA and Source Selection Contracts
- Prepare by implementing efficiencies before announcement (everything can’t be done in one year)
- Use Technology to leverage the workforce
- Don’t forget the level playing field concept
- Pay attention to CA Inventories
- Multi-Skill your workforce
- Develop an “Army of one” , with the necessary tools and equipment to be efficient (Don’t send two people to do a one person job)

# Customer and Mission

- Identified and defined the Unique Mission of the organization
- Used CA as a mechanism to eliminate non-core functions (welder, sign painter, wood crafter)
- We added/deleted functions from the original announcement to develop the optimal org. structure (total number from 52-56)
- Hired temps to keep work going during the study

# Customer and Mission cont.

- Maximized the use of multi-skilled workforce
- Separated the Shops into discrete entities that were organized by function rather than discipline (Maintenance of Buildings from Utilities)
- Moved 24 hour watch/ Sensor Monitoring from study.Currently they monitor systems and identify work for shops (Separate work ID from Execution)
- Leveraged the technology that existed to keep a state of the art workforce

# PWS Preparation

- Prepared In-House  (no contractor)
- Developed our Strategy
- Collected Data/Tasks
- Determined Space, Equipment, Vehicles and Materials
- Conducted Interviews
- Completed review by all employees
- Provided Service Level Agreements (SLA) that met Mission Requirements for Responsiveness and Protected NWCF from Loss of  Income

# PWS Preparation Cont.

- Inventoried all facility components (ensure bidders know what exists)
- Fixed Price wherever possible & data exists
- Competed on Labor only, no mark-up/ incentive on materials
- Damages clause that protected NWCF mission
- If necessary required Security Clearances to reduce escort requirements
- Prepared Skills Inventories of existing workforce to ensure they were documented in the PWS (this also benefits displaced employees)

# Costing

- Our Activity Based Costing Structure using JONs allowed detailed breakdown of cost to each facility by type of work (WO, PMI, or TC)
- Our technology allowed work information to be complete (hand-held bar code readers)
- Our future goal is to capture cost to the component/equipment level, and to reduce the use of JONS by using WBS and Stub Numbers
- Because of our decision to minimize turnover of equipment to the contractor, costs were added to the govt. bid

# Management Plan/ TPP

- Our plan did not fully describe how the in-house workforce would accomplish the PWS
- Our focus was on the PWS and not these plans
- We suffered in the audit as a result

# NAS

- We were not prepared (184 findings)
- Our documentation was not complete
- We had disconnects between our plans
- We were fortunate to have most of the cost/ data available so that the PWS required little modification
- Other data was collected as part of the audit process
- We finished in record time
- The audit was to make us “protest proof”

# Source Selection Process

- Team members were trained, however not early in the process
- Team members did not have enough knowledge of the PWS before the SS began
- Component Breakdown of Facilities was in more detail than needed; however, it was helpful in evaluating contractor proposals
- Team members had problems understanding how the independent govt. estimate was prepared, and how to evaluate costs of the proposals against the PWS

# Source Selection Process cont.

- Three perspective bidders
- One ruled out on technical merit
- On price alone we would not have retained in house
- Leveling required addition of a Contract Surveillance Representative
- MEO was re-certified and NAS approved the changes

# Outcome

- In-House Decision  (we were into the 10%)
- No Protest!
- MEO required 5 displacements (all took SIP/VERA) No other workers were lost during the study phase except due to normal retirement
- We hired in critical skill areas (converted 6 temps)
- No downgrades were required
- Morale was maintained during the implementation

  Communication was critical!

# 1st Performance Period

- Quality of work is documented through surveys and QA/QC Plans
- Overhead Cost Codes were established to ensure adequate capture of cost for audits
- Quantity of work was captured in our databases
- Self Audit was performed and documented

# The Future?

- More Studies
- Studies that are Base Ops Focused
- More Privatization Initiatives
- Shorter Study Period  (1 Year?)
- Continued changes to A76 Processes that favor Private Industry Outsourcing
- Continued training of potential team members is critical (a lot has changed since our study!)

# Future Strategy?

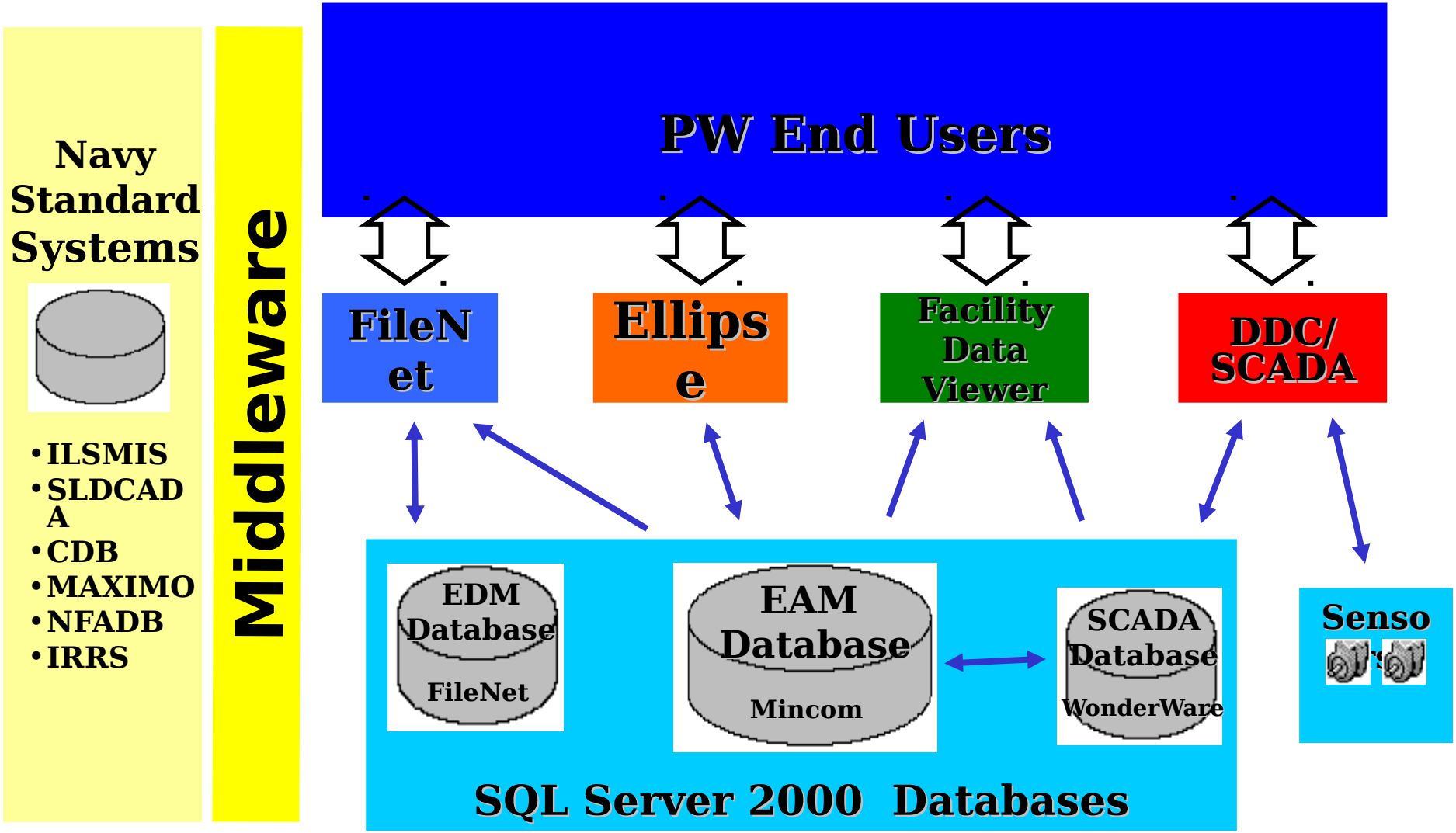
- BPR Efforts to Identify Existing Processes IT
- Continue Investments to ensure Workforce Efficiencies at/better than Private Industry
- Level the Playing Field on Tools and Equipment
- Link our Infrastructure to Technical Mission
- Link Our Employees to Technical Mission (the more diverse, the more competitive
- Keep In-House only the areas that are core, require knowledge of infrastructure, Identify work
- Watch Regionalization effects on inventory and Service Level Agreements (our study emergency response 30 minutes 100% compliance, PWC - 4 hours/avg. 3.5 hours)

# Workforce Multipliers

- 58,000 Real-time sensors
  - HVAC
  - Power
  - Water
  - Sewage

- Direct Digital Control & SCADA
- Hand Held Wireless PDA
- Enterprise Asset Management System
- Document Management System
- Reliability Centered Maintenance
- Networked Camera Systems
- Business Process Reengineering using IDEF Modeling

# Automation Systems



# Questions/ Discussion?